

State Treasurer

Analyst: Hancock

Historical Summary

OPERATING BUDGET	FY 2006 Total App	FY 2006 Actual	FY 2007 Approp	FY 2008 Request	FY 2008 Gov Rec
BY FUND CATEGORY					
General	1,238,300	1,233,900	1,249,300	1,488,600	1,315,100
Dedicated	724,000	648,400	632,900	718,400	662,500
Total:	1,962,300	1,882,300	1,882,200	2,207,000	1,977,600
Percent Change:		(4.1%)	0.0%	17.3%	5.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,425,900	1,257,400	1,340,200	1,504,500	1,399,500
Operating Expenditures	536,400	575,500	542,000	663,700	547,900
Capital Outlay	0	49,400	0	38,800	30,200
Total:	1,962,300	1,882,300	1,882,200	2,207,000	1,977,600
Full-Time Positions (FTP)	18.00	18.00	18.00	19.00	18.00

Division Description

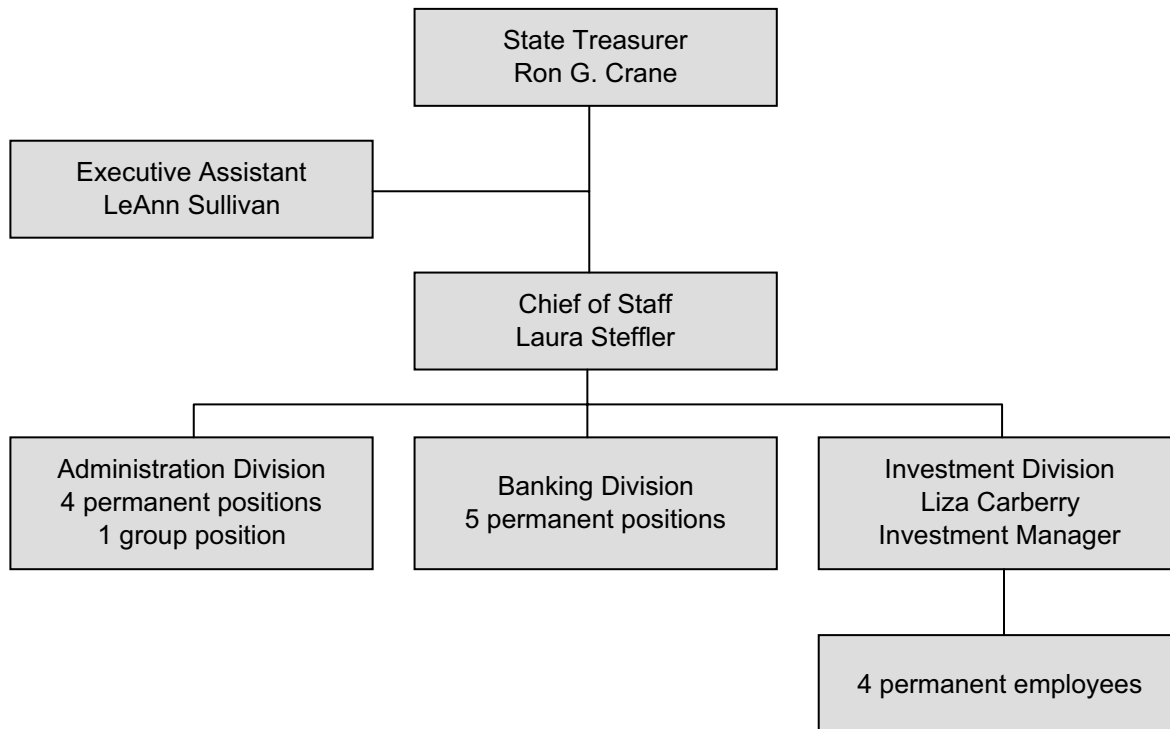
The State Treasurer is one of seven statewide elected officials in Idaho. It is the responsibility of the State Treasurer to serve as the banker for all Idaho agencies and to act as custodian of the public school endowment funds. The constitutional and statutory duties of this office include: (1) the receiving of all revenues and fees due the state; (2) deposit of funds in banks throughout Idaho; (3) paying all accounts; and (4) investing surplus monies not needed for day-to-day operations.

[Statutory Authority: Idaho Code §67-1201 et seq.]

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Agency Profile

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Source of Funds	FY 2006 Actual*
General Funds (0001): individual income tax, corporate income tax, sales tax, cigarette tax, beer tax, wine tax, liquor surcharge, kilowatt hour tax, mine license tax, Treasurer's interest on investments of certain idle state funds, court fees and fines, insurance premium tax, sale of alcoholic beverage licenses, unclaimed property, articles of incorporation and uniform commercial code filing fees, estate and transfer tax, and other miscellaneous sources from various agency receipts.	\$1,262,138
State Treasurer LGIP (0475-06): Derived from administrative fees collected from Local Government Investment Pool services.	\$313,073
Treasurer's Office - Professional Services (0475-07): Derived from interest earnings on State Investment Pool services.	\$307,344
	<u>\$1,882,555</u>

*\$28,134 is included in General Funds for 27th payroll; however, the General Fund's share of the State Treasurer's 27th payroll was actually appropriated one-time from Economic Recovery Reserve Fund.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2007 Original Appropriation	18.00	1,249,300	1,882,200	18.00	1,249,300	1,882,200
Reappropriations	0.00	0	70,300	0.00	0	70,300
FY 2007 Total Appropriation	18.00	1,249,300	1,952,500	18.00	1,249,300	1,952,500
Non-Cognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2007 Estimated Expenditures	18.00	1,249,300	1,952,500	18.00	1,249,300	1,952,500
Removal of One-Time Expenditures	0.00	(5,000)	(75,300)	0.00	(5,000)	(75,300)
FY 2008 Base	18.00	1,244,300	1,877,200	18.00	1,244,300	1,877,200
Benefit Costs	0.00	22,200	30,900	0.00	0	0
Inflationary Adjustments	0.00	5,400	9,300	0.00	0	0
Replacement Items	0.00	29,300	40,800	0.00	29,300	40,800
Statewide Cost Allocation	0.00	300	300	0.00	300	300
Annualizations	0.00	2,000	2,000	0.00	2,000	2,000
Change in Employee Compensation	0.00	27,900	40,600	0.00	39,200	57,300
FY 2008 Program Maintenance	18.00	1,331,400	2,001,100	18.00	1,315,100	1,977,600
1. Financial Analyst/Accountant	1.00	48,700	97,400	0.00	0	0
2. Continuous Appropriation	0.00	0	0	0.00	0	0
3. Bank Fees	0.00	100,000	100,000	0.00	0	0
4. New IT Equipment	0.00	8,500	8,500	0.00	0	0
FY 2008 Total	19.00	1,488,600	2,207,000	18.00	1,315,100	1,977,600
Change from Original Appropriation	1.00	239,300	324,800	0.00	65,800	95,400
% Change from Original Appropriation		19.2%	17.3%		5.3%	5.1%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Original Appropriation	18.00	1,249,300	632,900	0	1,882,200

Reappropriations

Reappropriation authority, also known as carry over, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year.

Agency Request	0.00	0	70,300	0	70,300
Governor's Recommendation	0.00	0	70,300	0	70,300

FY 2007 Total Appropriation					
Agency Request	18.00	1,249,300	703,200	0	1,952,500
Governor's Recommendation	18.00	1,249,300	703,200	0	1,952,500

Non-Cognizable Funds and Transfers

Shifts 0.20 FTP from dedicated funds to the General Fund.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

FY 2007 Estimated Expenditures					
Agency Request	18.00	1,249,300	703,200	0	1,952,500
Governor's Recommendation	18.00	1,249,300	703,200	0	1,952,500

Removal of One-Time Expenditures

Remove funding provided for one-time items.

Agency Request	0.00	(5,000)	(70,300)	0	(75,300)
Governor's Recommendation	0.00	(5,000)	(70,300)	0	(75,300)

FY 2008 Base					
Agency Request	18.00	1,244,300	632,900	0	1,877,200
Governor's Recommendation	18.00	1,244,300	632,900	0	1,877,200

Benefit Costs

Restores funding for one health insurance holiday taken in FY 2007. Also includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 4.9% or \$350 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.

Agency Request	0.00	22,200	8,700	0	30,900
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The Governor recommends that all health insurance related adjustments be funded by program changes or utilizing reserves available in the group insurance contract. As the PERSI Board voted to maintain the current contribution rate for the upcoming fiscal year, no adjustment to retirement rates is necessary.

Governor's Recommendation	0.00	0	0	0	0
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Inflationary Adjustments

Inflationary adjustment of 1.81% for operating costs.

Agency Request	0.00	5,400	3,900	0	9,300
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Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.

Governor's Recommendation	0.00	0	0	0	0
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Replacement Items

Replacement Items include 17 computers (\$18,700), 25 monitors (\$7,500), two servers (\$4,000) and software upgrades (\$10,600).

Agency Request	0.00	29,300	11,500	0	40,800
Governor's Recommendation	0.00	29,300	11,500	0	40,800

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This decision unit includes adjustments for services provided by state agencies as follow: \$400 increase for State Controller fees and \$100 decrease for State Treasurer fees.					
Agency Request	0.00	300	0	0	300
Governor's Recommendation	0.00	300	0	0	300

Annualizations					
Annualizes the previous fiscal year's pay increase for the State Treasurer.					
Agency Request	0.00	2,000	0	0	2,000
Governor's Recommendation	0.00	2,000	0	0	2,000

Change in Employee Compensation					
Reflects the calculated cost of a 3.5% salary increase for permanent and group positions. Also includes a statutory 3% increase in State Treasurer pay.					
Agency Request	0.00	27,900	12,700	0	40,600
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit, plus the \$1,600 required for increased elected official pay, as per HB 865.</i>					
Governor's Recommendation	0.00	39,200	18,100	0	57,300

FY 2008 Program Maintenance					
Agency Request	18.00	1,331,400	669,700	0	2,001,100
Governor's Recommendation	18.00	1,315,100	662,500	0	1,977,600

1. Financial Analyst/Accountant

This request would provide funding for a Financial Analyst to perform a full range of advanced professional financial duties requiring application of accounting and auditing theory, principals and practices. This position would develop and maintain accounting systems, prepare Comprehensive Annual Financial Reports (CAFR) for the State Treasurer's Investment Division, the Idaho Bond Bank Authority and the IDeal 529 College Savings Program. The incumbent would use his or her professional background to design, modify, and implement financial-related systems or have a significant role in their development, and would audit financial data for completeness and compliance with federal and state laws and regulations. The incumbent would participate in developing policies and procedures for financial reporting systems. Additionally, this position would perform debt ratio analyses for the Credit Rating Enhancement Committee, which was established to maintain and improve the State's credit rating in order to keep interest rates on debt low.

Agency Request	1.00	48,700	48,700	0	97,400
<i>The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.</i>					
Governor's Recommendation	0.00	0	0	0	0

2. Continuous Appropriation

In addition to the continuous appropriation we now receive for the Local Government Investment Pools, the State Treasurer would also like to have a continuous appropriation for the College Savings Program and the Bond Bank program. The State Treasurer does not currently collect fees for either of these services, but would like to do so in the future and be able to expend the revenue collected for the purpose of marketing and servicing these programs. Both programs have the statutory authority to collect fees.

Agency Request	0.00	0	0	0	0
<i>The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Bank Fees					
The Treasurer's Office currently pays bank fees with a combination of both direct and indirect methods. Because of low interest rates, it is becoming more difficult to leave enough money in the bank to offset bank fees. To ensure the Treasurer's Office will have enough funds to pay bank fees, the agency is requesting an appropriation to pay more directly and less indirectly. The bank fees that are paid by the State Treasurer's Office serve all state agencies. The relationship that the Treasurer's Office has with the banks allows for agencies to deposit their revenue and make expenditures in the course of their business. Services provided by the banks include purchase card (P-Card), payroll, vendor ACH payments, and warrant processing.					
Agency Request	0.00	100,000	0	0	100,000
<i>The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. New IT Equipment					
This request would provide one-time funding for IT equipment and software that will help the Treasurer's Office migrate from a 3rd party software platform to one developed in-house.					
Agency Request	0.00	8,500	0	0	8,500
<i>The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2008 Total					
Agency Request	19.00	1,488,600	718,400	0	2,207,000
Governor's Recommendation	18.00	1,315,100	662,500	0	1,977,600
Agency Request					
Change from Original App	1.00	239,300	85,500	0	324,800
% Change from Original App	5.6%	19.2%	13.5%		17.3%
Governor's Recommendation					
Change from Original App	0.00	65,800	29,600	0	95,400
% Change from Original App	0.0%	5.3%	4.7%		5.1%